

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 441 – SB 859

March 6, 2017

SUMMARY OF ORIGINAL BILL: Authorizes changes to the Basic Education Program (BEP), beginning in FY17-18, such that BEP funding includes an amount sufficient to pay first-year teachers \$500 for instructional supplies.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures –
\$690,600/FY17-18/Permissive
Exceeds \$690,600/FY18-19 and Subsequent Years/Permissive

SUMMARY OF AMENDMENT (004504): Deletes and rewrites the bill such that the only substantive change is to exclude teachers previously licensed in other states from the definition of first-year teachers.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- In FY16-17, there were 4,604 first-year teachers in the state; based on information from the Department of Education (DOE), the number of first-year teachers is unchanged from the number projected in the fiscal note for the original bill.
- Currently, the BEP provides \$200 per teacher for supplies from local funding sources.
- The additional \$300 to first-year teachers will come from local sources as well.
- Local education agencies (LEAs) can meet the provisions of the bill as amended by either (1) increasing the total shares of local funding to their respective schools; or (2) repurposing current funding.
- Assuming that 50 percent of LEAs elect to increase their local funding share to cover the additional \$300 to first-year teachers, the permissive increase in local government

expenditures is estimated to be \$690,600 (\$300 increase x 4,604 first-year teachers x 50.0% of LEAs electing) in FY17-18.

- Based on information from the Bureau of Labor Statistics' Occupational Handbook, the number of first-year teachers is expected to increase over the next decade. As a result, the permissive recurring increase in local expenditures is estimated to exceed \$690,600 in FY18-19 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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